

U.S.-Panama Trade Promotion Agreement Market Access Results

Metals and Ores

Trade and Tariffs

This sector includes both ferrous and non-ferrous metals, metal products, and ores. Products covered in the World Trade Organization Uruguay Round sector agreement on steel and the U.S. initiative on non-ferrous metals are included in this sector.

Metals and ores accounted for 2.0 percent of U.S. industrial exports to Panama in 2006, totaling over \$44 million. The top U.S. exports in this sector were aluminum alloy plates, iron or steel towers, aluminum foil, flat-rolled iron, and unwrought gold. Panamanian tariffs range between zero and 15 percent with an average of 7.5 percent.

Panamanian exports to the United States in this sector totaled over \$49 million in 2006, or 24.7 percent of Panama's industrial exports to the United States. Top Panamanian exports to the United States were unwrought and semi-manufactured gold, aluminum and copper waste, and aluminum alloy profiles and bars. U.S. tariffs range between zero and 15 percent, averaging 2 percent. All Panamanian exports in this sector enter the United States duty-free under the Caribbean Basin Economic Recovery Act (CBERA) and Caribbean Basin Trade Promotion Act (CBTPA) tariff preference programs.

Tariff Elimination

Tariffs will be phased-out according to four tariff elimination categories: immediate elimination; linear cuts over five years; linear cuts over ten years; and nonlinear cuts over ten years. Tariff elimination under the nonlinear ten-year staging category will proceed with a 3 percent cut in the tariff in years one and two, a 5 percent cut in years three through six, an 18 percent cut in years seven and eight, and a 19 percent cut each in years nine and ten.

For metals and ores, 87 percent of U.S. industrial exports will receive duty-free treatment immediately upon implementation of the Agreement. Tariffs on another 6.8 percent of U.S. exports will be eliminated over five years. Duties on the remaining 5 percent of U.S. exports will be eliminated over ten years.

The United States agreed to consolidate all CBERA and CBTPA tariff preferences into the final tariff elimination schedule, therefore all metal and ore exports from Panama will continue to receive duty-free treatment.

Steel. Panama will eliminate tariffs on 95 percent of U.S. steel exports immediately upon implementation of the Agreement. Tariffs on another 2 percent of U.S. exports will be eliminated over five years. Duties on the remaining 3 percent of U.S. exports will be eliminated over ten years.

Non-Ferrous Metals. Panama will eliminate tariffs on 93 percent of U.S. non-ferrous metals exports immediately upon implementation of the Agreement. Tariffs on another 9 percent of U.S. exports will be eliminated over five years. Duties on the remaining 2.6 percent of U.S. exports will be eliminated over ten years.